Exhibit E

Reorg Research

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Puerto Rico

GDB Seeks to Reassure COFINA Bondholders on Tax Reform

Puerto Rico's Government Development Bank is working to reassure investors that the sprawling tax reform plan unveiled this month would not materially alter covenants on about $15 billion in sales-tax-backed COFINA bonds.

The tax reform legislation hinges on replacing the 7% sales-and-use tax with a 16% value-added tax to broaden the revenue stream, curb evasion and reduce income tax returns by roughly 840,000 filers.

"We feel quite confident that the tax reform is consistent with the current covenants," GDB investor relations chief Todd Hagerman told Reorg Research. "What we are communicating is that it doesn't change in any way the structure of COFINA, nor its priority or the backstop measures that are in place."

COFINA bonds backed by the proposed VAT would still have a pledge of first monies collected, a lockbox outside the general fund and tight protections against clawback by GO bondholders were a GO default to occur.

Current COFINA bond documents require written confirmation from the three ratings agencies of all outstanding ratings and opinions confirming that the new revenue would not constitute "available resources" in the event the sales-and-use tax is replaced with another source of revenue. The "substitute-like or comparable security" must not impair an obligation of COFINA.

Hagerman acknowledged market concerns over the plan, which have been cited in recent downgrades by Standard & Poor's and Moody's Investors Service, as well as various analyst reports from financial firms including NewOak Capital and Nuveen Asset Management. "At the end of the day, the commonwealth can ill-afford to have any cloud hanging over what remains of arguably its 'cleanest' financing vehicle," NewOak's managing director Triet Nguyen said in a Feb. 18 blog post.

Nuveen noted in a report this month that COFINA debt service "increases materially in future years (4% compound annual growth through 2041), which will continually divert more revenues from the general fund if pledged tax revenue growth fails to keep pace with debt service."

The report said COFINA bond payment shortfalls could result from problems in implementation and collections of the proposed VAT, and a range of stakeholders including lawmakers, economists and business groups have raised concerns about the Treasury Department's capacity to bring the system online and oversee it.

Some investors consulted by Reorg Research have echoed those concerns, while others have dismissed them.

"They have a communication problem. It would be nice if they just sat down and said it," an analyst at a New York-based investment management firm told Reorg Research.

"Once VAT proceeds are received, they would not be 'available resources' that are subject to clawback under the commonwealth Constitution," another analyst at another New York-based investment management firm told Reorg Research. "So basically, I have no concerns about any potential impact on the COFINA structure."

Hagerman insisted that investors have nothing to worry about. "What we are saying is that the proposal never would have been introduced if we felt there was a violation and we are comfortable that the change is allowable under the current agreement," Hagerman said. "And we are going to be providing third-party legal opinions to that effect to reassure the bondholders that nothing has changed, the backstops remain the same and there is absolutely no change in the underlying structure for COFINA bondholders."

Puerto Rico lawmakers launched public hearings on the 1,500-page tax reform bill last week. The final scope of the legislation, the timing of its passage and the schedule for its phased-in implementation remain under debate.

The Treasury Department, meanwhile, has launched a website to inform the public and businesses about the tax reform plan. Gov. Alejandro García Padilla, Treasury Secretary Juan Zaragoza and other administration officials have emphasized that VAT systems are used in some 160 countries around the world and have proven successful.

"We feel very confident that this proposal on the surface will continue to broaden the revenue stream," Hagerman said. "It is our belief that it will expand the revenue base and increase revenues not only for COFINA bondholders but also for commonwealth bondholders as well."

While the timeline for full implementation of the tax reform is targeted in fiscal 2016 - which begins July 1, 2015 - the full impact of the measure would not likely be recognized until fiscal 2017, Hagerman said.

The 5.25% $325 million COFINA term bonds due 2040, which were issued in December 2011, last traded at 76 on Feb. 18, according to EMMA, down slightly from 81 on Feb. 12.

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